

P-518/ES-90-276 ORDER APPROVING CERTIFIED 911 SYSTEM COSTS

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Darrel L. Peterson
Cynthia A. Kitlinski
Norma McKanna
Robert J. O'Keefe
Patrice M. Vick

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of **Eagle Valley Telephone Company's** Request for Approval of Certified Actual Costs Associated with the **Todd County** 911 Emergency Telephone Services System

ISSUE DATE: January 3, 1991
DOCKET NO. **P-518/ES-90-276**
ORDER APPROVING CERTIFIED 911 SYSTEM COSTS

PROCEDURAL HISTORY

On February 4, 1986, the Minnesota Public Utilities Commission (the Commission) approved Todd County's final plan for the establishment of a 911 Emergency Telephone Services System.

On July 1, 1987, Eagle Valley Telephone Company (the Company) placed a portion of a 911 Emergency Telephone System into service in Todd County.

On January 8, 1990, the Company certified the actual costs it incurred for the provision of 911 Emergency Telephone Service in Todd County. The certified costs included certain amounts for central office modification costs which the Company previously recorded on its books and records.

FINDINGS AND CONCLUSIONS

Minn. Stat. Section 403.11, subd. 3 states:

Subd. 3 (METHOD OF PAYMENT; CERTIFICATION.) A public utility incurring reimbursable costs under subdivision 1 or 2 shall certify those costs to the commissioner of administration. The certification shall be in a form as prescribed by the commissioner after consultation with the public service commission. If the commissioner and the commission approve the certified costs as appropriate and accurate, the commissioner shall pay the certified costs from money appropriated for that purpose within 90 days following receipt by the commissioner of the certified costs. The commissioner of administration shall estimate the amount required to reimburse public utilities for the state's obligations under subdivisions 1 and 2 of this section and the governor shall include the estimated amount

in the biennial budget request.

Eagle Valley has certified, in writing, that the elements of 911 services and associated costs indicated on Attachment A reflect only charges for services actually rendered in the direct provision of 911 service in Todd County.

The amount appearing on line 1b is the actual capital cost the Company incurred to install central office equipment necessary to switch calls to 911 trunks. The amount appearing on line 1c is the actual cost associated with moving or rearranging existing central office equipment because of 911 installation. The amounts appearing on lines 1b and 1c are traceable to specific telephone company job orders which will be retained in the Company's records. These amounts are one-time costs which will be reimbursed by the State of Minnesota and which will be excluded from the Company's rate base.

The amount appearing on line 2 is the annual recurring cost associated with the 911 central office equipment. This amount reflects maintenance, administration and gross earnings tax factors. Depreciation is not reflected in this amount since the Company will be reimbursed for 100% of its capital cost. Income taxes are not reflected in this amount because only expenses are recovered and consequently there are no taxable profits.

All other charges listed on Attachment A are in accordance with the Company's tariffs.

The Commission finds that the costs for 911 Emergency Telephone Service in Todd County which have been certified by the Company are appropriate and accurate.

911 system costs will be recertified on an annual basis to reflect revised maintenance and administration expense factors.

Policy References:

Minn. Stat. Section 403.11 System Costs

Minn. Rules, pt. 1215.1400 Funding Eligibility/Payment of
Recurring Costs

Minn. Rules, pt. 1215.1500 Funding Eligibility/Payment of
Central Office Modification Costs

ORDER

1. The costs identified on Attachment A accompanying this Order are approved as appropriate and accurate.

2. The Company shall certify 911 system costs annually based on the Company's most recent annual report on file with the Commission.
3. This Order does not approve payment of any 911 system costs. Any possible future approval of payment for system costs shall be granted by the Commissioner of the Department of Administration in accordance with the provisions of Minn. Stat. Section 403.11.
4. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster
Executive Secretary

(S E A L)

STATE OF MINNESOTA)) SS
COUNTY OF RAMSEY)

AFFIDAVIT OF SERVICE

I _____, being first duly sworn, deposes and says:
That on the ____ day of _____ (s)he served the attached
Order approving certified 911 system costs for Todd County 911
Emergency Telephone Service
Docket No. P-518/ES-90-276 _____

XX By depositing in the United States Mail at the City
of St. Paul, a true and correct copy thereof,
properly enveloped with postage prepaid

XX By personal service

XX By inter-office mail

to all persons at the addresses indicated below or on the attached
list:

Ms. Mary Lou Wehling, Director
Business Technologies Division
Department of Administration
500 Centennial Office Building
658 Cedar Street
St. Paul, MN 55155

Mr. Steven H. Sjogren
Vice President-Operations
Eagle Valley Telephone Company
Communications Systems, Inc.
213 Main Street South, Box 777
Hector, MN 55342-0777

Subscribed and sworn to before me, _____
a notary public, this _____ day of _____,
_____, 1990.

Notary Public